
By: **Senator Kasemeyer (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 31, 2003

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 20, 2003

CHAPTER _____

1 AN ACT concerning

2 **Employees' and Teachers' Retirement and Pension Systems - Vested**
3 **Allowance - Lump-Sum Payment**

4 FOR the purpose of allowing certain individuals who are former members of the
5 Employees' and Teachers' Retirement and Pension Systems and who are eligible
6 to receive a vested retirement allowance, to elect to receive a lump-sum
7 payment of the vested retirement allowance under certain circumstances; and
8 generally relating to the distribution of a vested retirement allowance to former
9 members of the Employees' and Teachers' Retirement and Pension Systems.

10 BY adding to
11 Article - State Personnel and Pensions
12 Section 29-302.1 and 29-303.1
13 Annotated Code of Maryland
14 (1997 Replacement Volume and 2002 Supplement)

15 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
16 MARYLAND, That the Laws of Maryland read as follows:

17 **Article - State Personnel and Pensions**

18 29-302.1.

19 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO :

20 (1) IS A FORMER MEMBER OF:

21 (I) THE EMPLOYEES' RETIREMENT SYSTEM; OR

- 1 (II) THE TEACHERS' RETIREMENT SYSTEM;
- 2 (2) IS A MEMBER OF THE OPTIONAL RETIREMENT PROGRAM;
- 3 (3) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER § 29-302 OF
4 THIS SUBTITLE; AND
- 5 (4) HAS NOT ELECTED TO RECEIVE A BENEFIT UNDER § 29-302 OF THIS
6 SUBTITLE.

7 (B) NOTWITHSTANDING § 29-302 OF THIS SUBTITLE, AN INDIVIDUAL UNDER
8 SUBSECTION (A) OF THIS SECTION MAY ELECT A LUMP-SUM PAYMENT EQUAL TO
9 THE PRESENT VALUE OF THE INDIVIDUAL'S VESTED ALLOWANCE IF:

- 10 (1) THE VESTED ALLOWANCE IS LESS THAN \$50 A MONTH;
- 11 (2) THE INDIVIDUAL HAS TERMINATED EMPLOYMENT WITH ~~THE STATE~~
12 AN EMPLOYING INSTITUTION AS DEFINED IN § 30-101(E) OF THIS ARTICLE; AND
- 13 (3) THE INDIVIDUAL REQUESTS A LUMP-SUM PAYMENT OF THE VESTED
14 ALLOWANCE ON A FORM PROVIDED BY THE STATE RETIREMENT AGENCY.

15 29-303.1.

16 (A) THIS SECTION APPLIES ONLY TO AN INDIVIDUAL WHO:

- 17 (1) IS A FORMER MEMBER OF:
- 18 (I) THE EMPLOYEES' PENSION SYSTEM; OR
- 19 (II) THE TEACHERS' PENSION SYSTEM;
- 20 (2) IS A MEMBER OF THE OPTIONAL RETIREMENT PROGRAM;
- 21 (3) IS ELIGIBLE TO RECEIVE A VESTED ALLOWANCE UNDER § 29-303 OF
22 THIS SUBTITLE; AND
- 23 (4) HAS NOT ELECTED TO RECEIVE A BENEFIT UNDER § 29-303 OF THIS
24 SUBTITLE.

25 (B) NOTWITHSTANDING § 29-303 OF THIS SUBTITLE, AN INDIVIDUAL UNDER
26 SUBSECTION (A) OF THIS SECTION MAY ELECT A LUMP-SUM PAYMENT EQUAL TO
27 THE PRESENT VALUE OF THE VESTED ALLOWANCE IF:

- 28 (1) THE VESTED ALLOWANCE IS LESS THAN \$50 A MONTH;
- 29 (2) THE INDIVIDUAL HAS TERMINATED EMPLOYMENT WITH ~~THE STATE~~
30 AN EMPLOYING INSTITUTION AS DEFINED IN § 30-101(E) OF THIS ARTICLE; AND
- 31 (3) THE INDIVIDUAL REQUESTS A LUMP-SUM PAYMENT OF THE VESTED
32 ALLOWANCE ON A FORM PROVIDED BY THE STATE RETIREMENT AGENCY.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2003.